



U.S. Department of Justice

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NEWS RELEASE

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Paul J. McNulty, United States Attorney for the Eastern District of Virginia, and Kelly A. Johnson, Acting Assistant Attorney General for the Environment and Natural Resources Division of the Department of Justice, announced today that jail sentences were handed down in two separate cases against individuals involved in the asbestos abatement and hazardous waste industries.

Ethel Mae Holmes of Virginia, was sentenced in Alexandria today to five months in prison for conspiracy, mail fraud and submitting false claims to the United States Government by the Honorable Leonard D. Wexler. The Honorable Henry C. Morgan, Jr. sentenced Bobby Newsome of Pennsylvania, in Norfolk, Virginia, on Friday to three months in prison for making false statements and violating the Clean Air Act.

Holmes was president and owner of Holmes Environmental, Inc., located in Virginia Beach, Virginia. Holmes Environmental, Inc. worked in the asbestos and lead abatement industry as an abatement inspector, designer and project monitor. Holmes' business performed work for the Pentagon; the Virginia Department of Mental Health, Mental Retardation and Substance Abuse; Sentara Norfolk General Hospital; Virginia Employment Commission; the United States Army at Fort Eustis; the United States Coast Guard, and other federal and non-federal facilities, such as an elementary school, day care centers, mental health hospitals, and a public housing project.

Holmes was convicted of obtaining and buying false asbestos and lead training certificates for herself and her conspirators, who fraudulently presented the certificates to licensing authorities in the Commonwealth of Virginia. With the falsely obtained licenses, Holmes was able to submit bids during 1998-2001 on asbestos and lead abatement projects throughout the Commonwealth of Virginia, Maryland, and North Carolina. The indictment had charged that Holmes bought false training certificates from F&M Environmental Technologies, Inc. ("F&M"), a Virginia company. F&M pled guilty in February 2001 to selling hundreds of such false training certificates in Virginia, Maryland and the District of Columbia.

Holmes oftentimes used untrained and unlicensed receptionists, office managers, and other employees to oversee asbestos and lead abatement projects, which involved highly toxic

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and hazardous materials. During the 1998-2001 conspiracy Holmes' business received approximately \$600,000 in contracts, to which she was not entitled because she and her workers were not properly trained and licensed.

Newsome, a former Virginia resident, worked in the demolition industry in the Norfolk, Virginia, area. In March 2005 he pled guilty to one count of buying false training certificates and two counts of violating asbestos abatement work practice standards under the Clean Air Act. As part of his plea, Newsome admitted to buying false training certificates from F&M Environmental Technologies, Inc. ("F&M") and to conducting demolition activity without first removing asbestos from the Buckroe Junior High School in Hampton, Virginia, and the Fairwood Homes development project in Portsmouth, Virginia.

Under federal and state law, individuals who intend to work on asbestos and lead abatement projects are required to undergo an extensive training course instructing them on how to properly and safely remove asbestos and lead without contaminating themselves, co-workers, or members of the public. Asbestos must be removed from buildings prior to demolition and the abatement must be conducted in accordance with federal regulations which establish work practice standards designed to prevent the release of asbestos into the environment.

Asbestos has been designated by the United States Environmental Protection Agency and Congress in the clean air act as a "hazardous" air pollutant. Asbestos causes a wide range of illnesses, including various forms of cancer and asbestosis, a usually fatal lung disease. The EPA has determined that there is no safe level of exposure to asbestos.

The indictment is part of a continuing investigation into the improper training of workers in the asbestos and lead abatement industry in Virginia, Maryland and District of Columbia.

Investigation of these cases was conducted by special agents of the Federal Bureau of Investigation; the Criminal Investigation Division of the United States Environmental Protection Agency; NASA Office of Inspector General; the Defense Criminal Investigative Services; the Naval Criminal Investigative Service; Army Criminal Investigations Division; Defense Contract Audit Office; the Small Business Administration, and the Virginia Department of Professional and Occupational Regulation. The cases were prosecuted by Noreen McCarthy, Trial Attorney, Environmental Crimes Section of the U.S. Justice Department, Gene Rossi, Assistant U.S. Attorney, in Alexandria, Virginia, and Robert Krask, Assistant U.S. Attorney, in Norfolk, Virginia.

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